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SPECIAL REPORT

Critique of Republican Block Grants

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Education Block Grants Eliminate Accountability for Better Student Achievement

Education block grants are a cornerstone of Republican education policy. Claiming block grants provide both flexibility and accountability, Republicans falsely believe that block funding would result in sweeping changes to education that will raise academic achievement. It is true that block grants would bring in sweeping changes: block grants would wipe out our standards-based system that has raised academic achievement.

Republican block grants are part of an ideologically-driven agenda that undermines public education. Block grant funds under the Republican bill can be used to send public school children to private schools. In the real world, block grants represent a significant threat to public schools because they eliminate proven programs that support national priorities; eliminate accountability measures; and eliminate targeting of limited Federal resources toward students who need it.

The Federal Government originally made Title I a block grant when it enacted the program in 1965. As documented below, this “blank check” resulted in serious misuses of Federal funds, including funding that never reached the intended beneficiaries.

We know from experience that block grants are bad education policy because they:

- abolish guaranteed funding to targeted students;
- eliminate the support of proven programs to address national priorities;
- have no meaningful accountability measures or demands for results;
- are susceptible to misuse and have been misused;

- take power from parents, teachers and principals and give it to governors;
- provide easy targets for budget cuts;
- offer no proof of effectiveness; and
- reverse progress on increasing student achievement and improving teacher quality.

Republican Block Grant Proposals

S. 2, the *Educational Opportunities Act*, contains three block grant proposals.

Straight A's Plus Block Grant. The "Straight A's Plus" block grant in **S. 2** would give the governor and the State legislature in 15 States the authority to combine funds totaling \$12 billion of targeted funding:

- Title I grants to local educational agencies
- Perkins Vocational Education
- Even Start Family Literacy Program (Title I-B)
- Class Size Reduction
- Migrant Education Program
- Teacher professional development
- Comprehensive School Reform
- Neglected or Delinquent Children
- Technology Literacy Challenge Fund
- Innovative Education (Title VI)
- Emergency Immigrant Education
- Education for Homeless Children and Youth, and
- any new State formula programs enacted in **S. 2**

into a single, general aid, block grant. States could use these Federal funds for any educational purpose under State law.

To receive funds under this block grant, States would enter into a self-authored “performance agreement” that would set student performance goals. The Secretary of Education would not review the plan and would be required to automatically sign off on the agreement — even if the Secretary thinks the State has set the goal too low or its assessments are flawed.

The performance agreement itself is weak and almost meaningless. States would be required to show “progress” in reaching standards, but this provision has no teeth — States would have no accountability for improving failing schools or districts, for annual gains in student performance, or for learning by all students, including poor or limited English proficiency students. Moreover, States would not have to show this “progress” for five years.

Any Federal funds received under both “Straight A’s” block grant could be used for vouchers to send children to private school at the governor’s discretion.

Straight A’s Block Grant. The “Straight A’s” proposal in **S. 2** would allow governors in 50 States to convert the targeted funding for the programs described above (except Perkins Vocational Education) into a single, State general aid, block grant. States could use the funds for any “educational” purpose under State law.

Like the “Straight A’s Plus” block grants, States would enter into a self-authored “performance agreement” that would set student performance goals. The Secretary of Education would not review the plan and would be required to automatically sign off on the agreement. If the block grants include Title I Part A funding, the State must maintain the current formula for distributing funds to schools.

The proposal contains weak standards for student improvement because its unclear language will not ensure that schools are accountable for increases in the performance of all students, including the lowest achieving students.

Teacher Empowerment Block Grant. **S. 2** would eliminate the Eisenhower Professional Development Program and the Class Size Reduction Program and authorize a \$2 billion block grant for teacher quality. This block grant would not hold school districts accountable for results and does nothing to ensure that teachers are trained to help students with special educational needs — like students with disabilities, students with limited

English proficiency, and economically disadvantaged students. In order to guarantee that all children have the opportunity to meet high State standards, teachers need training in how to address the needs of all students.

This block grant would reverse more than 15 years of professional development support for teachers through the Eisenhower Professional Development Program. Under **S. 2**, only a “portion” of funds – which could mean only a dollar – would have to be spent on professional development. High-quality teachers are the most important factor in how well students learn. Limiting or eliminating their professional development means cutting off opportunities for teachers to improve – and for students to learn more.

This block grant would also reverse the impact the Class Size Reduction Program has made on student achievement. Research has documented what parents and teachers have always known — smaller classes improve student progress.

Problems with Block Grants

Block grants abolish guaranteed funding to targeted students.

Education is primarily a State and local responsibility in the United States. Currently, the Federal Government funds approximately five to seven percent of resources going to public elementary and secondary education. Federal financing of education has declined over time – education for elementary schools, high schools and colleges in the United States received only 2.3 percent of the Federal budget in FY 2000.

Given these facts, Democratic Senators believe that Congress must ensure that scarce resources reach needy students and fund national priorities. In other words, the Federal government’s role in education should be to get the most effective return on its limited investment.

Federal funding to needy students is particularly valuable because inequities exist in the educational resources available to students living in different economic circumstances. Poor school districts, both urban and rural, get less money from the State than wealthier districts. Lack of money affects student performance —research shows that poor students generally need additional educational resources to succeed academically.¹

Lack of resources is particularly disturbing when achievement gaps exist between low-poverty schools and the highest-poverty schools. While this

gap is narrowing, students in schools with the highest poverty levels score lower than average public school students. For example, fourth graders in highest poverty schools score on average lower in math and reading performance assessments than students from schools with less poverty.²

Because Federal funding works to equalize the playing field, Federal funding targeted to disadvantaged students, including Title I, is incredibly important. Federal funds are significantly more targeted to poor children than are State funds. States typically allocate education money on a per pupil basis and local school funding has decreased over time. As a result, income-poor districts, who don't have the ability to put additional resources into their schools, rely heavily on State and Federal funds.

While Federal funding for education is only a small slice of spending in the United States on public education, Federal funding brings an extra \$4.73 per poor child for every dollar provided for all children.³ States, on the other hand, provide only an additional 62 cents per poor child.

Moreover, many States do not serve certain outcast populations like homeless students unless Federal funds are targeted on them. By providing resources for homeless, migrant and immigrant students, the Federal Government makes a commitment to students who have no political voice.

Block grants obstruct the supplemental benefit of Federal funding to disadvantaged students. They dilute the guaranteed impact of targeted funding on targeted populations by diverting money from students who need it the most — the poor, the homeless, and children with limited English proficiency. Without a concentration on these children, achievement gaps between students based on poverty will start growing again, ending recent years of success in narrowing the gap.

For example, under the "Straight A's" plan, States would receive billions of dollars of their Federal school aid in a block grant. The funds could be used for any purpose that is deemed "educational" in the State law. Today, States define many different services as "educational" — like child care, health services and job training. As a result, block grants give States virtually unlimited discretion in the use of Federal educational funds. Under the rubric of "flexibility," States could rewrite their education distribution formulas to take money away from schools with low-income students. The likely net result of a block grant program would be a significant shift of Federal resources away from poor schools and disadvantaged students.

Block grants eliminate proven programs that support national priorities.

Democrats believe that Federal programs should help schools address significant, national problems. Democrats also believe that limited Federal resources should go to programs that are proven to help students — such as high-quality teachers; smaller class size; modern and accountable 21st Century schools; and expanded and improved technology in the classroom. Democrats want to ensure that Federal funds are spent on research-based, proven and effective programs that produce measurable increases in student achievement.

Block grants make schools “choose” between important national priorities like smaller class sizes and more qualified teachers. There are no assurances that funds will go to improve instruction; strengthen curriculum; reduce class size; provide extended learning opportunities; support parental involvement; develop innovative and emerging technologies; or support other proven strategies for helping all students learn a curriculum with high standards. Furthermore, there are no assurances that the funds will be spent on research-based, effective programs.

Block grants have no meaningful accountability or demands for results.

In 1994, President Clinton and Congress enacted new accountability measures in ESEA— States had to both adopt challenging academic standards for their Title I students and show that students were making adequate progress each year. Because of Federal involvement, all states now have challenging standards. The Federal Government is already demanding results in exchange for federal funds. And because of this demand, change is occurring on the State level.

S. 2 would eliminate assured accountability in America’s public schools. Just as the “Straight A’s” program has no assurance that funds will go to improve instruction; strengthen curriculum; or reduce class size, block grants lack adequate mechanisms to ensure that funds are spent effectively and where most needed. “Straight A’s” would replace current fiscal and performance accountability provisions with a weak and almost meaningless “performance agreement.”

The lack of accountability would be unchecked for a lengthy period in the life of a student. Under the “Straight A’s” plan, States would have block grant authority for five years — the time it would take a child to move from first to

fifth grade. In addition, there are no repercussions for failure to meet the State-set goals and no real penalty for unimproved performance after five years. The penalty for a State making little or no progress towards its goals is a possible — not required — loss of administrative funds.

Besides diverting money, block grants eliminate the academic goals set for certain subgroups of students to ensure that all groups of students are learning. Currently, States must account for all of their students and must disaggregate data by different student populations to ensure that no student group slips through the cracks.

Under these block grant programs, the State would decide which students it chooses to test — thereby reversing the accountability the Federal Government has demanded for all students. Without getting data on the performance of these students, decision-makers would not know if programs focused on these students are working. Instead of raising standards, block grants would lower them.

Block grants are susceptible to misuse.

When ESEA was passed by Congress in 1965, Title I was designed to be a block grant program. The early history of Title I provides a history of how block grants actually work. Under the original legislation, which is similar to the current Republican proposals, school districts with high concentrations of children from low-income families could use Title I money for a broad range of projects, as long as the State approved the project. In effect, Title I operated as a block grant because it provided for little accountability at the State level and no accountability at the Federal level.⁴

Misuses of the original Title I are well documented. In the first four years of the program, many intended beneficiaries of the program — including poor children — did not even receive resources through Title I funds.⁵ In fact, resources often did not go to eligible children at all.

A few examples of the misappropriation and abuse found by auditors include: a district that increased the salaries of its school district personnel; a State that allowed districts to buy equipment for non-Title I schools; a school district that bought three tubas; a city that spent \$35,000 on band uniforms; and a city that spent \$63,000 on 18 portable swimming pools. One school district used their Title I funds to perpetuate segregation by renovating a trailer school in an all-black area.

Congress should not return to a structure that generates abuse and misappropriation of Federal funds directed at disadvantaged students. There is nothing in the “Straight A’s” plan that would preclude the use of these Federal education funds for routine equipment, materials and personnel expenditures — thereby diverting funding from national education priorities to the general operation of school systems.

Block grants take power from parents, teachers and principals.

The block grant legislation would send funds and control to governors and State legislatures, not the State education agency, where it currently goes. GAO found that, for major Federal elementary and secondary education programs, 99 cents of every Federal dollar goes to States and States, in turn, send 94 cents to local school districts. Block grants would result in a reallocation of Federal education funds.

Under **S. 2**, the spending of Federal education money would become a State political decision — local school districts and teachers would be forced to lobby their governor to ensure they receive education funding. Disconnected from the State education agency, the entity in the State actually responsible for education, education funds in a block grant may not reach local classrooms.

In addition, local school districts and teachers would have no input into the process of setting State performance goals. Local decision-making would be moved into the purview of the State.

Just as block grants take away power from local schools, they also take control away from parents. If a State participates in the block grant program, student achievement data would be only reported statewide and parents would no longer get crucial information about their children.

Block grants are not truly trading freedom from regulation for academic outcomes.

The so-called “flexibility” of block grants is not needed and, in fact, adds a layer of bureaucracy to the current flexible system. Title I is not a program run from Washington, D.C. In recent years, the focus of Federal aid has shifted and places more emphasis on results, not process.⁶ The Federal Government has increased flexibility and reduced paperwork in three ways.

- Program requirements prescribing specific activities of a State, local school district or school have decreased. Since 1993, the U.S. Department of Education has eliminated 39 percent of the pages in the Code of Federal Regulations relating to education programs.⁷

- States, school districts and schools may obtain waivers from Federal requirements that hinder efforts to improve student learning. The Ed-Flex program, enacted into law in 1999, allows all States to participate in the Ed-Flex program. Under this program, State educational agencies may waive requirements for Federal education programs in exchange for adopting a Statewide plan to raise the achievement of disadvantaged students.⁸
- States and school districts now have more flexibility in how they administer Federal programs. Federal law and regulations have simplified program administration and reduced paperwork for States, school districts and school.⁹

Title I is not a “one size fits all” program that micromanages day-to-day operations in a school. Just as States may develop their own standards and assessments, so too are they able to develop their unique solutions to local educational problems. Democratic proposals, like class size reduction and school construction, are easy to apply for, easy to administer, and virtually all of the money goes directly to the classroom. Block grants add an unnecessary and burdensome layer of bureaucracy.

In 1999, Congress passed the *Education Flexibility Partnership Act*, which let States relax rules for certain Federal education programs. Currently, only three States have applied to the Department of Education for Ed-Flex authority under the new law.¹⁰ The *Washington Post* found that more States are not interested in getting a waiver under Ed-Flex because States think Federal programs are already flexible enough.¹¹

Block grants are an easy target for budget cuts.

In the past, the Republican-controlled Congress has reduced funds to programs that have been block-granted into one funding stream. For example, after Title VI of the ESEA, Innovative Education Program Strategies, became a block grant, appropriations for the program declined significantly — almost by half.

According to a 1995 GAO study, total funding for nine block grants created in 1981 declined by 12 percent, or \$1 billion, in 1982. Moreover, because block grants are unfocused, susceptible to misuse, and lack accountability, political support for continued funding of block grants may reduce over time. Ultimately, adopting the “Straight A’s” and Teacher Empowerment block grants could lead to a reduction in Federal funding for elementary and secondary education.

Not Proven

There is no demonstrated evidence that block grants lead to real reform. A 1997 study by the Center on Budget and Policy Priorities found that it was impossible to determine how Maternal and Child Health Care Block Grant funds were used by States and how many children were reached. Moreover, the effects of the Title VI block grant, because of its ambiguous goals and limited evaluation requirements, is not known.

Conclusion

Block grants are a significant threat to America's public schools and will not result in the sweeping changes claimed by block grant supporters. Academic achievement is rising. Block grants would eviscerate the educational reforms of 1994 by removing the responsibility of schools to set high standards and by ending efforts to close the achievement gap. Five years from now, we would realize we had made a terrible mistake.

End Notes

¹*School Finance – State and Federal Efforts to Target Poor Students*, United States General Accounting Office (January 1998). See also, “The Effects of Poverty on Children,” Jeanne Brooks-Gunn and Greg Duncan, *Children and Poverty*, Vol. 7 (Summer/Fall 1997).

²*Promising Results, Continuing Challenges: The Final Report of the National Assessment of Title I*, U.S. Department of Education (1999).

³*Id.*

⁴Title I of ESEA: Is it Helping Poor Children? Washington Research Project and NAACP Legal Defense and Educational Fund (1969).

⁵*Id.*

⁶Understanding Flexibility in Federal Education Programs, Institute for Educational Leadership and Center on Education Policy (2000).

⁷*Id.*

⁸*Id.*

⁹*Id.*

¹⁰“As School Aid is Relaxed, So Is Response of Many States,” Kenneth J. Cooper, *The Washington Post*, March 27, 2000.

¹¹*Id.*